

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AVAYA INC., DELL INC., SONY CORPORATION OF AMERICA,
and HEWLETT-PACKARD CO.

Petitioners

v.

NETWORK-1 SECURITY SOLUTIONS, INC.

Patent Owner

CASE IPR2013-00071
U.S. Patent No. 6,218,930

Before JONI Y. CHANG, JUSTIN T. ARBES, AND GLENN J. PERRY,
Administrative Patent Judges

PETITIONER AVAYA INC.'S OPPOSITION TO
PATENT OWNER'S MOTION TO EXCLUDE

Because Petitioner Avaya Inc. (“Avaya”) was not a party to earlier district court litigation involving Cisco (“*Cisco* Litigation”), it has little insight into the full scope of inconsistent statements made during those proceedings involving the '930 patent. Despite Avaya's requests for information from that litigation, Patent Owner has unfairly used this knowledge asymmetry to its advantage. Patent Owner has only selectively produced certain documents while withholding most documents, such as the testimony of the inventors themselves.

First, Patent Owner claimed that it could not produce *Cisco* Litigation documents because they were subject to the district court's protective order. Ex. AV-1048. After Avaya stressed the relevance, Patent Owner produced only a small subset, but withheld the vast majority of the *Cisco* Litigation documents.

Second, after Avaya asked repeatedly for other *Cisco* Litigation documents (including deposition transcripts) (*See* Ex. AV-1049-51), Patent Owner claimed that it would be too burdensome to identify inconsistent statements in the lengthy record. Ex. AV-1052. This position was particularly baseless given “well established familiarity” with the prior litigations of Patent Owner's outside counsel. *See* Motion for Pro Hac Vice Admission, at 3 (Paper 11).

Third, after production of an expert report from Dr. Melvin Ray Mercer regarding the invalidity of the '930 patent (“Mercer Report”), Avaya brought to Patent Owner's attention that the Mercer Report specifically referenced the

inventor deposition transcripts (which still had not been produced). In response, Patent Owner represented that “[r]egarding your specific inquiry concerning the inventor deposition transcripts, Network-1 can confirm that *the transcripts do not include information inconsistent with a position it has advanced in the IPR proceeding.*” Ex. AV-1052 (emphasis added). This statement is false and misleading. *See* Section I.A, *infra*.

Fourth, when Avaya in its Reply Brief (Paper 56) identified and referenced an inconsistent statement in the Mercer Report, Patent Owner objected to it as hearsay. But the alleged out of court statement was from the very same inventor deposition transcript (“Deptula Transcript”) that it had refused to produce throughout these proceedings.

Under Federal Rule of Evidence 807, the Board should deny Patent Owner’s Motion to Exclude (Paper 83) under the residual hearsay exception. *See* Fed. R. Evid. 807¹. In particular, Patent Owner was obligated under 37 C.F.R. § 42.51(b)(1)(iii) to automatically produce the Deptula Transcript. Accordingly, the Mercer Report is more probative than evidence that Petitioner Avaya Inc. (“Avaya”) was able to obtain through reasonable efforts, and it should not be

¹ Patent Owner’s Motion to Exclude (Paper 83) was unsigned in violation of 37 C.F.R. 42.6(a)(4).

excluded. Patent Owner cannot have it both ways. It cannot shirk its duty to produce the Deptula Transcript, and then object to the Mercer Report because it referenced the very same Deptula Transcript that it withheld. The Board should not condone Patent Owner's behavior, and should deny its motion to exclude.

I. THE MERCER REPORT SHOULD NOT BE EXCLUDED

Before addressing the requirements of Rule 807 itself in Section I.C., Avaya addresses two predicates to the Rule 807 analysis. Section I.A. describes Patent Owner's failure to produce the Deptula Transcript that would have, if it were produced, been more probative than the Mercer Report. Section I.B. lays out Avaya's reasonable efforts to make Patent Owner comply with its obligation to produce the Deptula Transcript.

A. Patent Owner's Automatic Duty to Produce the Deptula Transcript

In proceedings before this Board, Patent Owner has asserted that the "objective secondary factors demonstrate that the Challenged Claims [of the '930 patent] are not obvious." Patent Owner Response (Paper 44) at 54. Acceptance in the industry is a secondary consideration. *Bayer Healthcare Pharms., Inc. v. Watson Pharms., Inc.*, 713 F.3d 1369, 1377 (Fed. Cir. 2013). But Patent Owner ignores and has failed to produce the Deptula Transcript, which includes the following admission:

Q: Did you ever receive any recognition or praise for the '930 patent?

A: I don't believe so.

Q: Did Merlot [the prior assignee of the '930 patent] ever receive any recognition or praise for the '930 patent?

MR. EICHMANN: Objection to form.

A: I don't know.

Q: Are you aware of anyone who ever expressed surprise for the ideas expressed in the '930 patent?

MR. EICHMANN: Objection to form.

A: I'm not aware, no.

Exhibit 1042 at 110-11 n.287 (citing Deptula Transcript, at 16-17),

In his report, Cisco's expert, Mercer, then cited to the above-quoted portion of the Deptula Transcript to support the following proposition:

Neither the inventors nor the officers of [the assignee of the patent] were able to identify any praise or recognition for, or expression of surprise about, the invention of the '930 patent.

Exhibit 1042, at 110-11 n.287 (citing Deptula Transcript, at 16-17).

The Deptula Transcript is relevant as the inventor's factual knowledge concerning the secondary consideration of acceptance. Under 37 C.F.R. § 42.51(b)(1)(iii), Patent Owner was thus obligated to automatically produce the Deptula Transcript as routine discovery because it was "relevant information [i.e., lack of acceptance] that is inconsistent with a position advanced [i.e., that

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